



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
RESEARCH, DEVELOPMENT AND ACQUISITION
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000

DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
FINANCIAL MANAGEMENT AND COMPTROLLER
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000

SEP 27 2002

MEMORANDUM FOR DISTRIBUTION

Subj: IMPLEMENTATION OF WIDE AREA WORKFLOW - RECEIPTS AND
ACCEPTANCE (WAWF-RA)

The Department of the Navy (DoN) is committed to improving its efficiency and effectiveness. WAWF-RA is the DoN electronic system for invoicing, receipts, acceptance and certification. WAWF-RA has proven to be very cost effective. WAWF-RA enables timely, accurate payments and has proven to provide a quick return on investment for both Department of Defense (DoD) activities and our partners in industry.

Section 1008 of the National Defense Authorization Act (Public Law 106-398) requires the electronic submission and processing of claims for payments under DoD contracts. The Under Secretary of Defense (Director, Defense Procurement), in attachment (1), identified WAWF-RA as a key system in implementing this statutory requirement. Additionally the Under Secretary of Defense (Comptroller), in attachment (2), called for DoD to reduce interest penalties by 40% in fiscal year 2003, and the Assistant Secretary of the Navy (Financial Management and Comptroller), in attachment (3), acknowledged WAWF as a key component of the DoN effort to reduce interest penalties to meet the FY 2003 goal.

In May 2002, DoN commenced pilot implementation of WAWF-RA. Incorporation of lessons learned from these pilot efforts, as well as the release of version 3 of the WAWF-RA software, will allow aggressive deployment within DoN of this needed application. To provide maximum support for deployment within current funding constraints, to improve our business processes and to comply with the above-mentioned guidance, it is imperative that DoN claimants submit detailed plans to support expedited deployment and begin aggressive implementation of WAWF-RA. The template for the deployment plan will be sent via separate correspondence to your WAWF-RA Integrated Project Team member. Your plan should indicate how WAWF-RA would be integrated into any existing or future receipt, acceptance and certification capabilities. DoN points of contact are Captain Mike Stabile at phone number (703) 602-2386 and Mary Jo Johnson at 703-601-0251.

Robert E. Cowley
RDML, SC, USN
Deputy for Acquisition
and Business Management

Ronald L. Haas
Director
Office of Financial Operations

Subj: IMPLEMENTATION OF WIDE AREA WORKFLOW - RECEIPTS AND
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Attachments:

1. Office of the Under Secretary of Defense (DDP) Memo of Apr 1, 2002
2. Under Secretary of Defense (Comptroller) Memo of Jul 10, 2002
3. Assistant Secretary of the Navy (FM&C) Memo of Aug 12, 2002

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Subj: IMPLEMENTATION OF WIDE AREA WORKFLOW - RECEIPTS AND
ACCEPTANCE (WAWF-RA)

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ACQUISITION,
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

DP/EB

April 1, 2002

MEMORANDUM FOR DIRECTORS OF DEFENSE AGENCIES
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(PROCUREMENT)
DEPUTY FOR ACQUISITION AND BUSINESS
MANAGEMENT, ASN (RD&A)
DEPUTY ASSISTANT SECRETARY OF THE AIR
FORCE (CONTRACTING)
EXECUTIVE DIRECTOR FOR LOGISTICS POLICY AND
ACQUISITION MANAGEMENT (DLA)

SUBJECT: Deployment of Wide Area Workflow- Receipt and Acceptance
(WAWF-RA)

In March 2002, DoD started deploying WAWF-RA, which is a workflow software application that enables vendors to submit and track their invoices and Receipt/Acceptance documents electronically via the web. The application also enables the Government to electronically process this data and perform the government receipt and acceptance process normally captured by the DD Form 250, Material Inspection Receiving Reports (MIRR).

Section 1008 of the National Defense Authorization Act for Fiscal Year 2001 requires that any claims for payments under DoD contracts be submitted in electronic form. The Department's E-Invoicing Report to Congress indicates that electronic claims for payments would be implemented by October 1, 2002. WAWF-RA is a key system component in implementing this statutory requirement.

As DoD migrates to automated business processes, contracting officers will need to change from a paper processing environment and adopt electronic processing procedures. Electronic processing is consistent with the definition of electronic commerce in FAR 2.101. The data processed electronically through WAWF-RA will impact many diverse communities within DoD whose jobs involve the delivery, receipt, acceptance, or payment for goods and services. Therefore, the following clarifications are provided:



Monday, April 01, 2002 (2).max

Attachment (1)



COMPTROLLER

UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

JUL 10 2002

RECEIVED JUL 12 2002

USN

EA

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MEMORANDUM FOR UNDER SECRETARY OF THE ARMY
UNDER SECRETARY OF THE NAVY
UNDER SECRETARY OF THE AIR FORCE
DIRECTORS OF THE DEFENSE AGENCIES

SUBJECT: Prompt Payment Act Interest Penalties

The Department paid a total of \$36 million in Prompt Payment Act Interest Penalties in Fiscal Year (FY) 2001. It appears that the corresponding amount for FY 2002 will be between \$32 and \$33 million. These amounts are unacceptable.

I hereby direct the Defense Finance and Accounting Service (DFAS) to develop and implement a coordinated plan to reduce interest penalties in FY 2003 by 40 percent from the FY 2001 amount and to submit the plan within 60 days. Many of the causes of the late payments are outside the control of DFAS. They fall within the responsibility of the financial and logistics communities of the Department of Defense (DoD) Components. I expect the DoD Components to fully support and participate in this effort. I will be reporting progress on this goal to the Secretary during my quarterly financial management update.

My staff contact for this action is Ms. Melanie Willis. She may be reached by e-mail: willism@osd.pentagon.mil or by telephone at (703) 602-0456.

Dov S. Zakheim

2417804953

Attachment 2



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
1000 NAVY PENTAGON
WASHINGTON, DC 20350-1000

MEMORANDUM FOR UNDERSECRETARY OF THE NAVY

AUG 12 2002

FROM: Mr. Dionel M. Aviles *DMA*
Assistant Secretary of the Navy
(Financial Management and Comptroller)
Prepared by: CAPT England, FMO-A, (202) 695-6702

SUBJECT: Prompt Payment Act Interest Penalties - INFORMATION
MEMORANDUM

PURPOSE: To provide comments on USD (C) memo concerning
reduction in interest penalties

DISCUSSION: Attachment (1) directed the Defense Finance and Accounting Service (DFAS) to develop and implement a coordinated plan to reduce interest penalties in FY 2003 by 40 percent from the FY 2001 amount. It is important to note that, under the Business Initiative Council effort, the DoD resource team presented a project to implement a Wide Area Work Flow (WAWF) process to help reduce interest payments.

WAWF is one of the key components of the end-to-end procurement/financial process being implemented by the Navy with the goal of reducing problem disbursements and interest penalties. Specifically, WAWF is the tool that enables electronic invoicing and invoice processing, including electronic receipt and acceptance. Since timely receipt of a proper invoice and accurate and timely processing of receipt and acceptance are two critical elements of timely payment, implementation of WAWF will be critical to the future reduction of interest penalties. Aggressive implementation of WAWF must be pursued in order to meet the FY 2003 goal. We will work closely with DFAS to develop a plan and report on our progress.

Attachment(s):

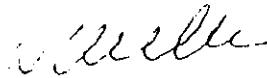
1. USD(C) memo of 10 JUL 02

Attachment (3)

1. A contractor may make distribution of material inspection receiving reports using WAWF-RA in place of paper documents for any Government recipient who has the capability to access WAWF-RA.
2. If a signed copy is required by the contractor, the contractor will print the report only after signature is applied by the Government Inspector or Acceptor in WAWF-RA. Copies printed will be annotated with \\original signed in WAWF-RA\\ in lieu of the inspector/acceptor's signature.
3. When Certificate of Conformance is authorized, contractors will "execute" Certificates in WAWF-RA by including the appropriate indicator in the electronic transaction rather than through the inclusion or attachment of the text of the certificate.

Like so many e-business applications, WAWF offers both the government and the vendor/industry community great potential to automate the receipt/acceptance and invoicing process. I encourage all communities to be responsible for the success of this initiative. Your support in implementing this capability will greatly assist DoD in completing our end-to-end acquisition environment.

My point of contact is Ms. Kathleen Fenk, 703-695-1099. Her e-mail address is kathleen.fenk@osd.mil.



Deidre A. Lee
Director, Defense Procurement